

Timothy Montileone, et al.

-VS-

AAMCO Transmissions, Inc., et al.

Complaint

EXHIBIT 13

From: Clayton Thygerson <gjaamco@gmail.com>
Sent: Tuesday, October 01, 2013 6:00 PM
To: Kelly Spann
Subject: Fwd: FW: SPDs
Attachments: 09037-Centerline.pdf; 09037-Convenion Info.pdf

----- Forwarded message -----

From: "Rick Bigham" <bighamr@swbell.net>
Date: Sep 27, 2011 1:19 PM
Subject: FW: SPDs
To: "Adam Hamboyan" <20481@aamcoemail.com>, "Allan Martinez" <autorepair@billingsaamco.com>, "Alvin Ramsey" <4550@aamcoemail.com>, "Andrew F Rutz" <aamcokfalls@clearwire.net>, "Bill Finder" <aamcoaamco@yahoo.com>, "Bill Numbers" <13381@aamcoemail.com>, "Binh Phan" <bthanhphan@msn.com>, "Bob Bucknell" <llenkcub@aol.com>, "Brian Foster" <john@jctransmissions.com>, "Brian McLeod" <bmcleod@aamcodealers.com>, "Brian McLeod" <bmcleod@bellnet.ca>, "Carl Schulze" <sbc1066bell@cavtel.com>, "Charles Carr" <12116@aamcoemail.com>, "Chris Wrin" <58000@aamcoemail.com>, <gjaamco@gmail.com>, "Cooper Bass" <13540@aamcoemail.com>, "Craig Hiett" <craighiett@aol.com>, "David Boland" <dbsoland@yahoo.com>, "Dick Hobson" <aamcolincoln@aol.com>, "Ed Bulawa" <4231@aamcoemail.com>, "Evelyn Camp" <dubin61@msn.com>, "Fred Ebbert" <febbert@aamcodealers.com>, "Gary Keefe" <keefe100@charter.net>, "Gary Walters" <aamcoama@gmail.com>, "Gordon Tugwell" <13010@aamcoemail.com>, "Greg O'Brian" <gaob1123@aol.com>, "Hal Cox" <aamcotrans@bizstx.rr.com>, "Helen Bogatschow" <aamcohlb@core.com>, "Jack May" <aamcocville@yahoo.com>, "James (Jim) Mohel" <jimmohel@yahoo.com>, "James L Brady" <16123@aamcoemail.com>, "James R Schultz" <aamcocrr@dybb.com>, "John Manculich" <generalinbox@live.com>, "John Weldon" <aamco@um.att.com>, "Jordan Pever" <aamcokitchener@gmail.com>, "Jose Rada" <jemajo@gmail.com>, "Kevin Dauer" <14492@aamcoemail.com>, "Kurt Siems" <24526@aamcoemail.com>, "Larry Adams" <riverkds1@aol.com>, "Larry Kahman" <larry@greatwesternsc.com>, <aamcosummerville@gmail.com>, <leslie.deutsch@yahoo.com>, "Mack L Lowery" <mlowery47@comcast.net>, "Marco Llovero" <25180@aamcoemail.com>, "Mark Kissner" <mark@aamcotwinfalls.com>, "Mark Neel" <wvaamco@yahoo.com>, "Michael D Borchardt" <mborchardt@mclearwave.net>, "Milt Dobbins" <aamcoofwilmington@bizec.rr.com>, "Paul A Simmons" <ptrans99@aol.com>, "Randy Green" <randellsgreen@hotmail.com>, "Richelle Ponder" <richelle@aamcolascruces.com>, <rob.smith@southernphoenix.com>, "Robert Wade" <r.wade@comcast.net>, "Ron Parker" <ronlouparker@aol.com>, <orsunbear@gmail.com>, <conwayaamco@yahoo.com>, "Thomas C Imeson" <imesonfive@aol.com>, "Tom Eden" <edensaamco@yahoo.com>, "Wagdy Fahmey" <8241@aamcoemail.com>, <kummer@mt-rushmore.net>, <bjones1@embarqmail.com>
Cc:

Team,

It's about to hit the fan. It looks like with all the competition we have naturally we are now in direct competition with our Franchisor. We need everyone at Phoenix to show our strength in numbers. If you can't

make it, send someone for you. Actually it will be only Saturday & Sunday. I was hoping we could meet as SPDs and we may if we have time. I need your top 3 problems you have because of a single point market. We are meeting with ATI in 2 weeks and I need the information to hold some people accountable!

Rick Bigham

AAMCO 14120 SPD

Lubbock, Texas

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806 793 8291 Home Fax

From: mikeganjei [mailto:mikeganjei@aamcodealers.com]

Sent: Tuesday, September 27, 2011 12:45 PM

To: 'Rick Bigham'; 'Annemarie Raynor'; 'Brian McLeod'; 'Craig Hiett'; 'Dale Mueller'; 'Don Scott'; 'Elliott B. Adler'; 'Rakow, Danny'; 'Ron Stafford'; LOUFIZZ@aol.com; jmferr@msn.com

Subject: RE: SPDs

Dear Rick,

First and foremost, I want to thank you for all your efforts in promoting NADA and the interests of AAMCO dealers. I wish more or NADA's Board members would exercise similar initiatives.

I have decided to write back to you knowing that it is nearly a certainty that your emails and mine will end up in the hands of AAMCO. I suppose that's all right—it's my job to be on the front line and represent my fellow dealers... dealers who contact me in hundreds of weekly emails, texts and calls regarding personal issues with AAMCO, their thought processes and ideas for helping others or asking for help.

While I agree with you that there are specific issues somewhat unique to dealers in a single point market, my travels as President of NADA, my meetings with over 300 dealers during the last couple of months clearly show a chain in trouble, that everyone is hurting, and that too many dealers do not speak out openly about their issues with AAMCO out of fear of retribution. While as President of NADA I encourage all dealers to speak out and speak up, I can understand how dealers can feel reluctant to complain given the current environment—which NADA is trying hard to change.

Unfortunately, our franchisor has yet to learn the meaning of the word “support”. Their actions and goals have changed from “support” to what some dealers called now “extortion”. Their use of ADLC has clearly changed from taking over centers that are failing or have failed to a way of expanding the chain itself by establishing turnkey centers. (To date, ADLC has taken over about 35 centers and is currently operating 20.) They have learned a new way to make income. And their way of doing it has raised many legitimate questions.

As regards NADA, your description of the three categories really holds true for the entire chain; no matter how hard we try, we cannot satisfy everyone. Dealers, in general, and single point dealers, in particular, are so deep in their daily business that they cannot worry about the national issues and how, in time they will affect them. We have found that only when it hits them directly do they begin to question things, and, more often than not, they call us when it's too late. NADA has tried in every way to reach out to the dealer body, while we spent lots of time and money on communication. Unfortunately, reading our newsletters does not have the same effect as being physically present at a meeting and hearing 50 other dealers feeling the same way about the same issues. While the name Ritz-Carlton may be a flash point to some, it becomes a matter of the price point: for example Holiday Inn charges over \$129 per night for their rooms. For this winter meeting, NADA members pay no registration fee and NADA pays for all the food, the meeting is only a Saturday and half-day on Sunday in a centrally located city—Phoenix, AZ.... We can't make it any cheaper or easier than that.

NADA gets blamed for just about anything, Rick. People forget that this is an organization largely run by volunteers and just two staff. Now is not the time to blame NADA, now is the time to unite and strengthen NADA, so we can help get the dealers of this chain back to prosperity

Back to single point market—

“AAMCO centers belonging to ad pools compete against independent owners, other transmission specialized shops, new car dealers, AAMCO dealers in the same market and now direct competition from “our franchisor” through ADLC. ATI’s initial goal is not to own centers in single point markets, rather to go where the market has already spent millions of dealers’ money to build the AAMCO brand, now they walk in free, and jeopardize all of our equity.”

It would be indeed helpful if you could highlight some of the SPD specific issues which are different than those of the rest of the chain, and we will address them with AAMCO. Again thank you for all your efforts and hopefully we will have over 200 dealers in Phoenix, AZ. That would truly show our strength as an organization. Let me know if I can talk to any of the single point market dealers, I would be glad to call...

Please read the enclosed newsletter that is going to the chain today. We are letting everyone know that difficult times are coming if we don't strongly unite now.

NADA is the only vehicle to save us all. NADA is not about me or other members of the Executive Committee. Most of us are about to step down and go back to running our own businesses. There will be, hopefully, more committed dealers to step up and commit the hundreds of hours of volunteer time that current members of the Executive Committee are putting in while losing money in their own stores.

Let me share with you an email from one of our dealers in a major ad pool: I will take out his name and any reference to him just in case... but it clearly shows a frustration from a dealer who loves being an aamco dealer..

Mike

I know that you are probably on the same page, but I want to convey to you my feelings again.

For the first time in my ten years as a dealer, I truly am worried about the future of my business's.

When Todd Leff took over, I think we knew what we were in for; He layed out his plans to us and the board pretty well and we were able to overcome those obstacles.

I had a much better feeling about the Home Office when Mike Sumsky took over. He said all the right things and one of those things was to grow the chain from within and give existing dealers who wanted to open additional stores the opportunity to do so. This was very refreshing to me that someone finally got it. You take successful existing dealers and help them expand their business models to include either opening up new stores or taking over existing stores. I remember a conversation I had with him at one of the conventions where he said to me that the Home Office would terminate more dealers if they had other dealers to take their place.

It seems that under Marc Graham their fundamental approach if even more different than his predecessors:

They are now looking to make money off of centers going out of business,taking them over and reselling them again to dealers under false pretenses of what they are buying. I wonder what type of p@L they show the prospective new buyer? I offered to take over the ----- location and list it with the Home Office until they can sell it for me and they told me no they are doing it. Their 13 week plan to get the grosses up in a store by not worrying about the bottom line in my opinion is fraudulent business practices and should be looked into. There should be RO studies done to make sure that their CSM'S are at least getting what the average center would get for a job. If they are selling lifetime warranties and 3 year warranties far cheaper than the average center and this customer comes in for warranty repairs then either the new franchisee or the inter-shop center will lose money. Is the Home Office competing with us in recruiting new tech's and Csm's? I also did not know that by buying an Aamco franchise that there may be times when my center is in direct competition against the franchisor that I pay to help me make money. Since there are no franchise fees being paid in these centers, when the stores are sold is the money being put back into the services that we as dealers are supposed to get?

The horse crap that they are feeding to new dealers in disguising. I spoke to a new dealer in my area and the Home Office told him he needs 40 K in working capital instead of the 200 K+ that he probably needs before he makes money. He is on the verge of either taking out a large loan or not. I asked him if he is breaking even yet and he told me no he needs to work another job to pay his bills. He then went on to tell me that he called several other dealers he went to school with who own centers in Florida and they are dying doing between 2 K and 5 K a week and put their houses up to buy these centers. These are the centers that ATI will take over and resell them for 250 K and make even more money from. When a new center opens and averages 8 K a year for 3 years that's \$87360 in franchise fees (7%). ATI can easily make double that money in 6 months taking over and reselling a center. It appears that this is one of their new initiatives in their business plan.

What makes matters worse is opening up brand new turn-key locations where these and many other fundamental differences are compounded. ATI now has research that they will not share with other franchisees. This research might be useful in getting successful dealers a chance to be even more successful, but ATI is using it to their advantage and not ours. I thought the Franchise Support Center was supposed to be helping, not hurting.

When I was a CSM my op's guy called me every week and went over sales, FTA's, profitability and the like and now that is non-existent. My guy's only know who their op's guy is because I told them his name and they met him, I think once. This is our Franchise Support Center.

I just read the twin post and they talked about the rewards program being ready to be rolled out, the great MPI forms and this quote

"the As you can see, AAMCO is making significant investments in our future and yours, and we will continue to do so. Critical to the long-term success of the entire System is effective communication between AAMCO and AAMCO franchisees. I and my entire team have been, and will continue to be, committed to open communication with ALL AAMCO franchisees. We have also renewed our commitment to facilitating open communications with NADA and to working together with NADA for the improvement of the System"

According to the meeting I attended with you, the latter is certainly not true.

I'm very passionate about the future of our business's and I think we need to again rise up and fight for we believe in. I did not buy a franchise to be in competition with my franchisor and I think we are going down this path if we don't make a stand now. Please find out if other dealers feel the same way as I do and take it legal if we need to and stop this before it's too late.

Fondly,

NAME REMOVED